

Proposed law would have created the La. Statewide Education Facilities Authority (authority) within the Dept. of Education to provide funding, coordination, assistance, and oversight for the repair, renovation, and construction of public school facilities. Would have provided for an uncompensated board of commissioners, for an executive director, and for an advisory council to provide advice and input to the authority.

Would have provided that the board shall be comprised of seven members as follows:

- (1) Five members – three appointed by the governor, two appointed by BESE – with a background in construction, architecture, or finance – subject to Senate confirmation.
- (2) The state superintendent of education or his designee.
- (3) One member appointed by the La. School Boards Association, subject to Senate confirmation.

Would have required the authority to do the following:

- (1) Collaborate with school boards to determine how best to meet needs.
- (2) Consult with the advisory council to develop a formula and mechanism to assess and prioritize applications for funding local projects.
- (3) Establish design specifications for school construction projects approved for funding by the board.
- (4) Review and evaluate existing funding mechanisms for school construction or rehabilitation projects.
- (5) Establish a revolving loan fund, monies from which may be used for school construction projects.
- (6) Issue a report to the legislature by Dec. 31, 2011.

Would have authorized the authority to do the following if appropriate funds are available:

- (1) Conduct a statewide assessment of public school facilities and compile school-by-school inventory of deficiencies and needs.
- (2) Review applications from school boards for facility funding.
- (3) Employ an executive director who shall administer the functions of the authority and employ staff.
- (4) Submit the formula and mechanism that the authority is required to develop to the Joint Legislative Committee on the Budget for approval.
- (5) Issue an annual report to the legislature of its activity in the previous budget year.

Proposed law would have authorized the authority to seek and accept gifts, grants, and donations, including federal funds, from any available source. Would have provided that implementation of proposed law provisions that require the expenditure of funds shall be subject to the availability of public or private funds, or both, for such purpose. Would have specified, however, that no state general fund dollars shall be used for this purpose.

Proposed law would have provided that participation by a school board in an authority program is voluntary. Would have provided that a school board retains ownership of and control over any school facility for which funding is obtained through the authority and that the authority may exercise oversight over a project only to the extent that the project is funded through the authority.

Would have become effective August 15, 2010.

(Proposed to add R.S. 17:409.1 - 409.7 and R.S. 36:651(CC))

VETO MESSAGE: "Senate Bill No. 584 opens the door to future state funding of construction and renovation of local public school facilities and could result in an unfunded mandate to the Department of Education to establish and staff the authority within the agency.

This would represent a fundamental shift in the planning and financing of school facilities, having traditionally been a local responsibility driven by the needs and wishes of citizens in each school district. Funding for such projects is provided through the approval of local financing measures and discretionary monies received through the state's Minimum Foundation Program. School systems also have access to more than \$244 million in qualified school construction bonds from the U.S. Treasury to finance the construction, rehabilitation, and repair of public school facilities at a lower cost of financing. Furthermore, as public entities, school districts may submit funding requests through the state's capital outlay program. Creating a separate capital funding mechanism outside of the capital outlay system would not allow for consideration of all the needs of the state and the setting of priorities based on those needs.

The state currently has unmet obligations such as the unfunded accrued liability of the statewide retirement systems, the backlog of deferred maintenance on roads, and a significant backlog in deferred maintenance on state buildings. The Department of Education also has limited financial and human resources to establish and provide staff support to a new entity without diverting resources away from other priority initiatives aimed at improving student achievement.

For these reasons, I have vetoed Senate Bill No. 584 and hereby return it to the Senate. Please note that I have vetoed similar legislation in previous years for similar reasons."